GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4
ANSWERED ON:17.10.2008
FDI IN INSURANCE SECTOR
Dhindsa Shri Sukhdev Singh

Will the Minister of FINANCE be pleased to state:

(a) present limit of Foreign Direct Investment in Insurance Sector;

(b) whether Government proposes to increase it;

(c) if so, the details thereof;

(d) whether the Government proposes to amend insurance law in this regard;

(e) if so, the details thereof; and

(f) the time by which such increase in FDI limit in insurance sector is likely to be effected?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P A WAN KUMAR BANSAL)

(a): At present,foreign equity upto 26% is allowed in insurance sector.

(b to f): On the recommendations of Law Commission/K.P. Narasimhan Committee and Insurance Regulatory and Development Authority,a Note regarding Insurance Laws (Amendment) Bill was considered by the Cabinet in its meeting held on 21.12.2006. The Cabinet has referred the Bill to the Group of Ministers (GOM) for consideration. The GOM has approved the proposed amendments and the same are to be placed before the Cabinet.